REMARKS

The Applicants respectfully request reconsideration in view of the following remarks and amendments. Claims 12, 15, and 16 are amended. Accordingly, claims 1-16 are pending in the application.

I. Claims Rejected Under 35 U.S.C. § 103

Claim 12 stands rejected under 35 U.S.C. § 103(a) as being obvious over Applicant's Admitted Prior Art (hereinafter "AAPA") and U.S. Patent Publication No. 2003/0227926 issued to Ramamurthy et al. (hereinafter "Ramamurthy"). To establish a *prima facie* case of obviousness: (1) there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference; (2) there must be a reasonable expectation of success; and (3) the references when combined must teach or suggest all of the claim limitations. See MPEP § 2142.

In regard to claim 12, among other limitations, this claim recites the elements of "a control unit, which selectively designates *static bandwidth allocation and dynamic bandwidth allocation*" (emphasis added). The amendment is supported, for example, by page 9, lines 3-6, of the Specification. The AAPA teaches dynamic and static bandwidth allocation schemes used between the OLT and ONTs. See Specification, page 2, lines 10-18. However, the AAPA fails to teach or suggest the *simultaneous use* of dynamic and static bandwidth allocation schemes. Further, the portion of Ramamurthy fails to teach or suggest these elements. Instead, Ramamurthy teaches queuing and transmitting messages based *solely on priority*. See Ramamurthy, paragraph [0076] and [0077]. Moreover, Ramamurthy is devoid of any teaching of a control unit for controlling bandwidth allocation schemes. As a result, the AAPA in view of Ramamurthy fails to teach or suggest the elements of "a control unit, which selectively designates static bandwidth allocation and dynamic bandwidth allocation," as recited in the claim. Thus, in view of at least these reasons, the AAPA in view of Ramamurthy fails to teach or suggest each element of claim 12. Accordingly, the Applicants respectfully request reconsideration and withdrawal of the rejection of claim 12.

II.   Allowable Subject Matter

The Applicants note with appreciation that claims 1-11 and 16 have been allowed. The Applicants respectfully acknowledge with appreciation the Examiner's indication that claims 13-15 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims. Claims 13-15 depend from claim 12 and incorporate the limitations thereof. As previously discussed, claim 12 is patentable over the cited art. Thus, for at least the reasons that claims 13-15 depend from an allowable base claim, the Applicants believe claims 13-15 are patentable over the cited art without rewriting the claims in the manner proposed by the Examiner. Accordingly, the Applicants respectfully request consideration and allowance of claims 13-15 at the Examiner's earliest convenience.
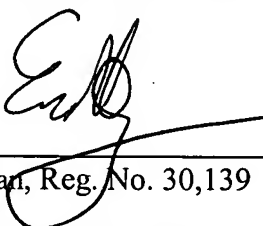
CONCLUSION

In view of the foregoing, it is believed that all claims now pending patentably define the subject invention over the prior art of record, and are in condition for allowance and such action is earnestly solicited at the earliest possible date. If the Examiner believes that a telephone conference would be useful in moving the application forward to allowance, the Examiner is encouraged to contact the undersigned at (310) 207 3800.

<div align="center">Respectfully submitted,</div>

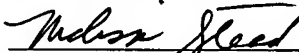BLAKELY, SOKOLOFF, TAYLOR & ZAFMAN LLP

Dated: _____, 2007

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CERTIFICATE OF MAILING:

I hereby certify that this correspondence is being deposited with the United States Postal Service as first class mail in an envelope addressed to: Mail Stop Non-Fee Amendment, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450, on July 31, 2007.

Melissa Stead   July 31, 2007